

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2006 Legislative Year**

Status as of August 2, 2006

B - Other Bills

Bill Number Version	Author	Summary	Board Position	Status
AB 804	La Suer	Patrol Members: IDR Benefits	Support	06/26/2006- Withdrawn from committee; re- referred to Senate Rules Committee.
A-06/21/2006		Requires CalPERS to change an industrial disability retirement to a service retirement, if the member is receiving the maximum service retirement amount and is subsequently employed as a peace officer outside of state service. The bill would also exempt the CHP from making certain types of disability indemnity payments if the injured employee is a peace officer and receiving the maximum allowance as specified, and requires a workers' compensation insurer to disclose the CHP information for the purpose of investigating workers' compensation insurance fraud. Per 6/21/2006 amendment, this bill no longer impacts CalPERS.		
AB 1558	Wolk	Financial Interest in Public Contracts	Support	06/26/2006- Senate Appropriations Committee
A-06/15/2006		Current law prohibits public officials and employees from having a financial interest in any contract made by them or by any board or body of which they are members. This bill would create a pilot project to allow the Fair Political Practices Commission to issue opinions with respect to a public official's duty under those provisions.		
AB 1643	Jones	Long-Term Care Pilot Project	Support, if Amended	08/22/2005- Senate Appropriations Committee
A-08/22/2005		Requires the CalPERS Board, in cooperation with the California Health and Human Services Agency, to contract with an independent firm or organization to study the feasibility of creating a pilot program to provide long-term care coverage to persons excluded from the program because of underwriting criteria, and to report the results of the study to the Legislature by March 31, 2008.		
AB 1801	Laird	2006-07 Budget Act		06/30/2006- Chaptered by Secretary of State - Chapter No. 47, Statutes of 2006
C-06/30/2006		Makes appropriations for support of state government for the 2006-07 fiscal year. Urgency.		

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AB 1961* I-02/06/2006	Richman	Performance Audit of CalPERS Requires the Bureau of State Audits to conduct and complete a performance audit of CalPERS on or before December 31, 2007, and every 3 years thereafter, and to report its findings to the CalPERS Board and the Legislature. The bill would also require CalPERS to report back to the Legislature on the implementation of any audit recommendations.	Oppose	04/19/2006- Assembly PER&SS Committee; failed passage.
AB 2132 A-06/20/2006	Levine	PEMHCA: Retiree Benefits After Reinstatement Allows a state or local CalPERS retired annuitant who reinstates and retires for a second time to receive retiree health benefits from the employer that provides the highest level of benefits, provided the annuitant has at least 5 years of service from the initial employer or meets the contract option vesting schedule under PEMHCA. This bill would apply to annuitants who, after reinstatement, subsequently retire on or after January 1, 2007.	Support	06/27/2006- Senate Appropriations Committee
AB 2242 A-04/05/2006	Assembly PER&SS Committee	Vision Care: State Annuitants Establishes an additional vision care program for state annuitants by creating the Vision Care Program for State Annuitants Fund, and requires DPA to administer this program.	Support	06/29/2006- Senate Appropriations Committee
AB 2244 C-07/24/2006	Assembly PER&SS Committee	Disability Retirement & Technical Amendments Clarifies the requirements for disability retirement eligibility. Also contains technical changes to the laws CalPERS administers.	Support	07/24/2006- Chaptered by Secretary of State - Chapter No. 118, Statutes of 2006
AB 2351 A-06/20/2006	Maze	Service Credit for Elected Official Prohibits a governing body of a city or county from granting or paying for contributions for service credit for an elected officer or member of a board of supervisors for time that he or she did not serve in the elected office. It does not preclude an elected officer from purchasing service credit.	Neutral	06/21/2006- Senate Third Reading

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AB 2355 A-06/20/2006	Negrete McLeod	Service Credit for CSU Academic Employees Permits CSU academic employees who are granted a reduced pay leave, such as a sabbatical or difference in pay leave, on or after January 1, 2007 to receive full service credit during the leave through a payroll reporting process instead of through a service credit purchase option after return to full employment at the end of the leave. The employee and employer would be required to contribute to the retirement fund the amount that would have been contributed if the member was not on a reduced pay leave.	Neutral	06/27/2006- Senate Appropriations Committee
AB 2411* A-03/30/2006	Aghazarian	PEMHCA: Health Savings Accounts Expresses the intent of the Legislature to enact provisions requiring the CalPERS Board of Administration to offer members one or more health care plans that provide for a health savings account coupled with a high deductible insurance plan.		04/19/2006- Assembly PER&SS Committee
AB 2438 C-07/24/2006	Chu	Treatment of Pay for Industrial Disability Leave Makes a clarifying amendment in the definition of "compensation" under the PERL to allow a member employed at a school district or at a community college district to have their Workers' Compensation temporary disability payments reported to CalPERS for purposes of receiving service credit.	Support	07/24/2006- Chaptered by Secretary of State - Chapter No. 121, Statutes of 2006
AB 2544 A-06/13/2006	Pavley	PEMHCA: Public Agency Contributions Current law allows public agencies to provide annuitants with an unequal employer contribution according to a specified formula. This bill revises that formula to require an employer contribution for annuitants amounting to no less than the number of years that the contracting agency has been subject to PEMHCA multiplied by 5 percent of the current monthly contribution for employee. The annual increase in the employer contribution shall not exceed \$100 per annuitant.		06/28/2006- Senate Third Reading

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AB 2570 A-05/26/2006	Arambula	Emerging Domestic Markets: State and Local Retirement Systems Recognizes the efforts put forth by CalPERS and CalSTRS regarding investments in emerging domestic markets with the State; consequently this bill intends for other public retirement systems with sufficiently diversified portfolios to adopt emerging domestic market investment policies that meet their own unique investment objectives, consistent with their fiduciary obligations; and requires retirement systems with assets over \$4 billion to annually report to the Controller all assets in California and in emerging domestic markets, based on asset category, fair market value, and percentage of the total portfolio.	Neutral	06/29/2006- Senate PE&R Committee
AB 2632 A-06/20/2006	Negrete McLeod	Retirement Benefits: California National Guard Provides "optional" membership rights to members of the California National Guard, who do not qualify for CalPERS. Creates member classification of "National Guard member" for such persons, who generally receive the same benefits as state miscellaneous members. Provides right to purchase credit for previous California National Guard service. National Guard members would pay both the employee and employer share of contributions for membership and previous service, and would be excluded from certain provisions under the law to minimize potential costs to the state.	Support	06/29/2006- Senate Appropriations Committee
AB 2667 A-06/26/2006	Baca	PEMHCA: Contracting Considerations Gives express authority to the CalPERS Board to consider specified factors with respect to any individual or entity that seeks to contract with the system for the provision of health benefits. These factors would include whether the applicant is of reputable and responsible character and whether the applicant has the ability to provide health care benefits or services based on their history of providing health care services. This bill would also apply to the Department of Managed Health Care, Department of Insurance, and the State Department of Health Services.	Neutral	06/28/2006- Senate Appropriations Committee
AB 2766 A-06/29/2006	Montanez	Special Death Benefits for BU 12 Removes the requisite of an MOU with respect to state miscellaneous members in State Bargaining Unit 12 employed by the Department of Transportation for special death benefits.	Neutral	06/29/2006- Senate Appropriations Committee

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AB 2795* A-04/24/2006	Negrete McLeod	Reciprocity among Retirement Systems Would extend the time period for public employees to move between retirement systems with reciprocity in effect from 6 months to 18 months, if a member retires on or after January 1, 2007. Current provisions in the Public Employees Retirement Law and County Employees' Retirement Law of 1937 require an employee to have no more than a six month break in service when changing employment between systems to receive full benefit reciprocity.	Neutral	05/25/2006- Assembly Appropriations Committee; held under submission.
AB 2863 A-06/27/2006	Karnette	County Employees' Retirement: Voluntary Retirement Would allow members with previous service with any of the Riverside agencies specified in the bill to have that service covered under the 3% @ 60 retirement formula. This bill would apply to persons employed by any of these agencies at the present time, as well as to persons with such service in the past who are returning to work with any of the Riverside agencies at any time in the future.		06/27/2006- Senate PE&R Committee
AB 2941 A-06/19/2006	Koretz	Targeted Divestment from Sudan Would prohibit CalPERS and CalSTRS from investing public employee retirement funds, as defined, in a company with business operations in the Sudan, that meet specified criteria, and would require the Boards of these retirement systems to sell or transfer any investments in these companies within specific timeframes and report to the Legislature regarding these investments.	Neutral, with Suggested Amendments	06/29/2006- Senate Judiciary Committee
AB 2945 A-04/06/2006	Spitzer	Safety Membership for Specified Department of Justice Employees Reclassifies to safety membership state employees who are managers, supervisors, or confidential employees in a forensic program or whose subordinate is or becomes a safety member.	Neutral	06/27/2006- Senate Judiciary Committee
AB 3041 I-02/24/06	Pavley	Medicare Part D: PORAC Excludes individuals enrolled in a health benefit plan offered by the Peace Officers Research Association of California (PORAC) from the statute stating that PEMHCA participants enrolled in Medicare Part D cannot enroll in CalPERS board-approved health plan.		05/18/06- Senate Appropriations Committee

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ABX1 3 I-04/14/2005	Richman	Defined Contribution and Hybrid Plan for New Employees Establishes defined contribution and hybrid plans for public employees hired on or after July 1, 2007, if approved by voters in a statewide election. Requires that any benefit enhancement for members of CalPERS, CalSTRS, or a '37 Act system be prospective only; permits the board to cancel a member's disability retirement if that member becomes employed in the same or similar job classification for more than 3 months; and permits the board to order a medical reevaluation of a member retired for disability if the member is less than age 59. The bill would require actuaries, when performing asset valuations for the purposes of establishing employer rates, to spread market value asset gains and losses over a period of at least 5 years. Provides specified death and disability benefits for those participating in a hybrid or DC plan.		05/25/2005- Assembly Public Sector Committee; failed passage.
ABX1 4 I-05/04/2005	Torrico	Employer Rate Stabilization Accounts Establishes within the PERF a Taxpayer Risk Reduction Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/26/2005- Assembly Ways and Means Committee
ABX1 6 A-06/02/2005	Evans	Final Compensation Cap; Safety Retirement Cap; Safety Member Reemployment Plan; Conversion of IDR Benefit Creates a cap on final compensation for new members. Requires an employer to develop a reemployment plan for a disabled safety member who is able to perform the duties of a miscellaneous position; the plan is subject to member approval, and the member may receive a supplemental allowance to offset the salary of the miscellaneous position. Increases the cap on safety retirement benefits to 100% for a service retirement; establishes a cap on safety retirement benefits of 85% for a disability retirement. Allows CalPERS to change an industrial disability retirement to a service retirement under specified circumstances.		06/08/2005- Assembly Ways and Means Committee

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ACA 5 I-12/06/2004	Richman	Defined Contribution Plan for New Participants Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACA 5 would restrict new public employees to defined contribution (DC) plans with limited employer contributions.	Oppose	04/14/2005- Assembly PER&SS Committee
ACA 23* A-01/30/2006	Richman	California Public Employee Retirement Plan Proposes an amendment to the California State Constitution to establish the California Public Employee Retirement Plan with mandated enrollment in a defined benefit plan and voluntary enrollment in a defined contribution plan for public employees hired on or after July 1, 2007. This measure would, among other things, reduce retirement benefits, increase the normal retirement age, and establish different employee and employer contribution rules.	Oppose	06/21/2006- Assembly PER&SS Committee; held without recommenda- tion.
ACAX1 1 I-01/06/2005	Richman	Defined Contribution Plan for New Participants Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACAX1 1 would restrict new public employees to defined contribution (DC) plans.	Oppose	03/02/2005- Assembly Public Sector Committee
ACAX1 8 I-04/14/2005	Richman	Defined Contribution and Hybrid Plan for New Participants Proposes an amendment to the California Constitution that would establish the California Public Employee Defined Contribution and Hybrid Plans for public employees hired on or after July 1, 2007 as administered by CalPERS, CalSTRS, UCRS, or a private administrator contracted by a local entity. Requires that plans offer death and disability benefits, and establishes employee and employer contribution rates. Permits UC Regents to establish employer contribution rates as necessary to recruit and retain employees.		05/25/2005- Assembly Public Sector Committee; failed passage.

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SB 154 A-04/21/2005	Chesbro	PEMHCA: Reciprocity with Other States Authorizes the CalPERS Board to contract with out-of-state public employee pension and health systems to provide health care benefits to California employees and annuitants who reside outside this state, as specified.	Support	06/28/2006- Assembly Appropriations Committee; suspense file.
SB 733 A-07/01/2005	Aanestad	Butte and Solano County Trial Courts Current law requires, for counties contracting with CalPERS, the county and the trial court within that county to participate in CalPERS under a joint contract. This bill would exempt Butte County and Solano County from part of that provision, instead requiring that the assets and liabilities of the trial court and the county be kept in separate accounts, with the separation of assets calculated retroactively from June 30, 2002.	Oppose, Unless Amended	08/25/2005- Assembly Appropriations Committee
SB 739 A-06/15/2006	Speier	Hospitals: Infection Control Establishes the Hospital Infectious Disease Control Program requiring DHS and general acute care hospitals to implement measures relating to disease surveillance and the prevention of health care associated infection (HAI). The bill also requires that hospitals take measures to prevent the spread of influenza in hospitals. Hospitals are required to report to DHS their implementation of infection prevention measures and develop procedures to prevent secondary surgical site infections.	Support	06/27/2006- Assembly Appropriations Committee
SB 840 A-07/12/2005	Kuehl	Universal Coverage: Single-Payer System Makes all California residents eligible for specified health care benefits under the newly created California Health Insurance System, which would, on a single-payer basis, negotiate and pay claims for health care services provided through the system. Prohibits the issuance of health plan contracts for services covered by the system. Requires the system to be operational within 2 years of enactment. Funds from existing health programs will be redirected to that fund.	Neutral	07/12/2005- Assembly Rules Committee

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SB 1168 A-05/26/2006	Chesbro	Rural Health Care Equity Program Extends the operation of the Rural Health Care Equity Program from January 1, 2008 to January 1, 2012 or until the board determines that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board. This bill was amended to delete the provision that continuously appropriates funds to reimburse eligible employees for out-of-pocket health-related expenses, as specified.	Support	06/28/2006- Assembly Appropriations Committee; suspense file.
SB 1187 A-06/08/2006	Ackerman	JRS II: Annuity Option for Early Retirees Provides Judges' Retirement System II members retiring "early" an option of a lifetime annuity similar to that offered to JRS II members under a "normal" retirement by authorizing CalPERS to offer the option of an actuarially equivalent lifetime annuity. A judge who chooses this option and later reenters the system, may not redeposit his or her withdrawn contributions and shall reenter as a new member without credit for any previous JRS II service.	Neutral, with Suggested Amendments	06/28/2006- Assembly Appropriations Committee; suspense file.
SB 1263* I-02/09/2006	Alquist	Long Term Care Insurance: Income Tax Deduction Allows most taxpayers to deduct the cost of long-term care insurance for the taxpayer, spouse, and dependents. The deduction will be phased in over 5 years, beginning with 25% of the insurance costs for the 2007 tax year, increasing to 100% for the 2012 tax year and later. Requires the Franchise Tax Board to annually report information about deductions claimed.	Support	04/17/2006- Senate Revenue and Taxation Committee
SB 1273 A-06/14/2006	Soto	Public Agency Definition: Area Agency on Aging Authorizes a private nonprofit area agency on aging to enter into a contract with CalPERS for participation of the agency's employees as members of the system if the agency obtains a ruling from the U.S. Department of Labor defining it as a public agency. This bill increases member contributions and would make an appropriation.	Neutral, with Suggested Amendments	06/29/2006- Assembly Third Reading

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SB 1443* A-06/07/2006	Ashburn	Public Employees' Retirement: Retirement Allowances Would limit a retirement benefit allowance based on a combination of service with the State of California in the member classifications of patrol member, state peace officer/firefighter, and/or state safety to no more than 90 percent of final compensation if the effective date of retirement is on or after the effective date of this measure. SB 1443 is an urgency measure and would become effective on the date it becomes enacted.	Neutral	06/26/2006-Senate PE&R Committee; failed passage.
SB 1445* I-02/22/2006	Alquist	PEMHCA: California National Guard Includes qualifying members of the California National Guard in the definition of "employee" under PEMHCA. Beginning January 1, 2007, qualifying members of the California National Guard will be eligible for the same health and dental care benefits provided to personnel serving on active duty.		05/25/2006-Senate Appropriations Committee; held under submission.
SBX1 2 I-05/12/2005	Dunn	Employer Rate Stabilization Accounts Establishes within the PERF a Taxpayer Adverse Risk Prevention Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/24/2005-Senate Appropriations Committee
SBX1 6 I-05/19/2005	Ashburn	Three Year Final Compensation Period Provides a 3-year final compensation period for state and school members hired on or after January 1, 2006, or those not in an employee group subject to a 1-year final compensation definition.		05/23/2005-Senate PE&R Committee; failed passage.
SBX1 7 I-05/19/2005	Ashburn	Prospective Application of Benefit Enhancements Beginning January 1, 2006, requires that retirement formula enhancements apply prospectively only, and not be applied to prior service.		05/23/2005-Senate PE&R Committee; failed passage.

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SBX1 9 I-05/19/2005	Ashburn	Election Rights for 1st Tier Service Requires a member's election to become subject to 1st tier benefits, rather than 2nd tier benefits, to be filed at least 3 years prior to retirement. Also removes a member's ability to convert 2nd tier service to 1st tier upon making the required member contributions.		05/23/2005-Senate PE&R Committee; failed passage.
SBX1 10 I-05/19/2005	Ashburn	DB/DC Hybrid Plan Requires the CalPERS Board of Administration, and the governing boards of county and local retirement plans, to establish hybrid retirement plans for employees hired on or after January 1, 2006 that consist of a defined benefit plan funded by employer contributions, and a defined contribution plan funded by employee contributions.		05/23/2005-Senate PE&R Committee; failed passage.
SBX1 12 I-05/19/2005	Ashburn	Reduced Benefit Formula for New Employees Specifies that the 2% @ 55 and the 3% @ 60 formulas are not applicable to employees hired on or after January 1, 2006. Employees hired after that date would instead be subject to a 2% @ 60 formula.		05/23/2005-Senate PE&R Committee; failed passage.
SBX1 13 I-05/19/2005	Ashburn	Rate Stabilization: Contingency Reserves Authorizes the CalPERS Board and the respective retirement boards of local government systems to create a Pension Contribution Stabilization Account. The account is to be used for the sole purpose of paying unfunded liabilities. Would require employer contributions in years when the actuarial value of the system's assets exceeds its liabilities.		05/23/2005-Senate PE&R Committee; failed passage.
SCR 117 I-05/01/2006	Soto	CalPERS: Reverse Annuity Mortgages Directs CalPERS to study and consider development of a reverse annuity mortgage program for retired members and to report to the Legislature on the findings of the study on or before January 15, 2007	Support	06/27/2006-Senate Appropriations Committee

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